

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

Subchapter G. CERTIFICATES OF CONVENIENCE AND NECESSITY.

§24.115. Cessation of Operations by a Retail Public Utility.

- (a) Any retail public utility which possesses or is required to possess a certificate of convenience and necessity desiring to discontinue, reduce or impair utility service, except under the conditions listed in the TWC, §13.250(b), must file a petition with the commission which sets out:
 - (1) the action proposed by the retail public utility;
 - (2) the proposed effective date of the actions which must be at least 120 days after the petition is filed with the commission;
 - (3) a concise statement of the reasons for proposing the action; and
 - (4) the area affected by the action, including maps as described by §24.106(f)(1) of this title (relating to Notice and Mapping Requirements for Certificates of Convenience and Necessity Applications).
- (b) The retail public utility shall submit a proposed notice to be provided to customers of the utility and other affected parties which will include the following:
 - (1) the name and business address of the retail public utility which seeks to cease operations;
 - (2) a description of the service area of the retail public utility involved;
 - (3) the anticipated effect of the cessation of operations on the rates and services provided to the customers;
 - (4) and a statement that persons who wish to intervene or comment upon the action sought should file a request with the commission at the commission's mailing address: Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 within 30 days of mailing or publication of notice, whichever occurs later.
- (c) After review by the commission, the applicant shall mail the notice to cities and neighboring retail public utilities providing the same utility service within two miles of the petitioner's service area and any city whose extraterritorial jurisdiction overlaps the applicant's service area, and to the customers of the applicant proposing to cease operations.
- (d) The applicant may be required by the commission to publish notice once each week for two consecutive weeks in a newspaper of general circulation in the county of operation which shall include, in addition to the information specified in subsection (b) of this section:
 - (1) the sale price of the facilities;
 - (2) the name and mailing address of the owner of the retail public utility; and
 - (3) the business telephone of the retail public utility.
- (e) The commission may require the applicant to deliver notice to other affected persons or agencies.
- (f) If, 30 days after the required mailed or published notice has been issued, whichever occurs later, no hearing is requested, the commission may consider the application for final decision without further hearing.
- (g) If a hearing is requested, the application will be processed in accordance with Chapter 22 of this title (relating to Procedural Rules).
- (h) In no circumstance may a retail public utility which possesses or is required to possess a certificate of convenience and necessity, a person who possesses facilities used to provide utility service, or a water utility or water supply corporation with less than 15 connections that is operating without a certificate

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

Subchapter G. CERTIFICATES OF CONVENIENCE AND NECESSITY.

of convenience and necessity pursuant to §24.103 of this title (relating to Certificates Not Required) cease operations without commission authorization.

- (i) In determining whether to grant authorization to the retail public utility for discontinuation, reduction, or impairment of utility service, the commission shall consider, but is not limited to, the following factors:
 - (1) the effect on the customers and landowners;
 - (2) the costs associated with bringing the system into compliance;
 - (3) the applicant's diligence in locating alternative sources of service;
 - (4) the applicant's efforts to sell the system, such as running advertisements, contacting similar adjacent retail public utilities, or discussing cooperative organization with the customers;
 - (5) the asking price for purchase of the system as it relates to the undepreciated original cost of the system for ratemaking purposes;
 - (6) the relationship between the applicant and the original developer of the area served;
 - (7) the availability of alternative sources of service, such as adjacent retail public utilities or groundwater; and
 - (8) the feasibility of customers and landowners obtaining service from alternative sources, considering the costs to the customer, quality of service available from the alternative source, and length of time before full service can be provided.
- (j) If a utility does abandon operation of its facilities without commission authorization, the commission may appoint a temporary manager to take over operations of the facilities to ensure continuous and adequate service.